MERCED COUNTY ECONOMIC FORECAST

Merced County is located in the San Joaquin Valley and is home to the newest University of California campus, UC Merced. The campus opened in September 2005, and now has more than 7,300 students. Merced County has a population of 272,600 people and a total of 79,200 wage and salary jobs. The income per capita is $35,816 and the average salary per worker is $50,687.
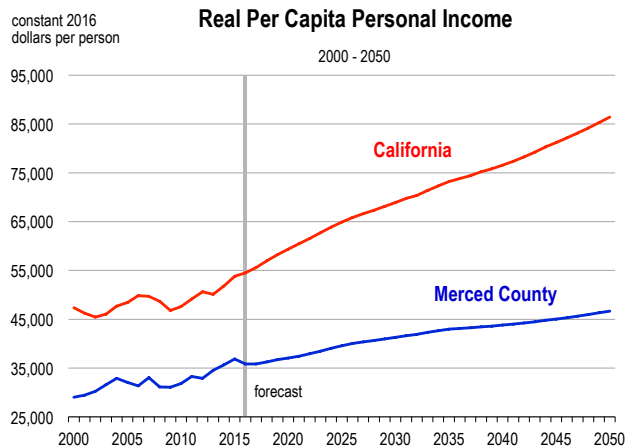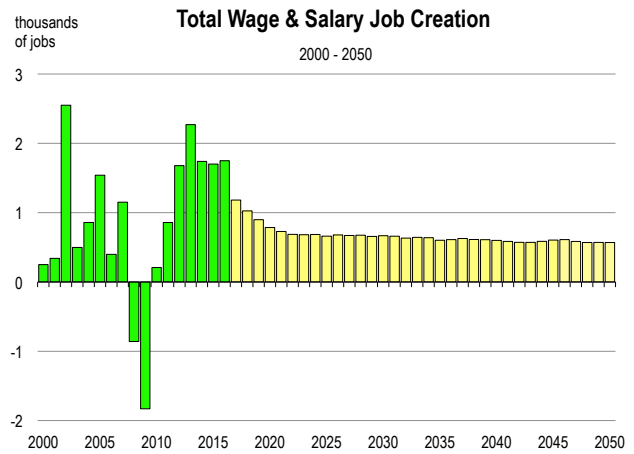
In 2016, employment across Northern California increased by 3.2 percent, whereas employment in the San Joaquin Valley (Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare counties) grew by 2.9 percent. Merced County gained 1,800 wage and salary jobs, representing an increase of 2.3 percent. Farm employment was largely unchanged, while non-farm employment grew at a rate of 2.8 percent. Although still very high, the unemployment rate improved substantially, falling from 11.3 percent in 2015 to 10.5 percent in 2016.

Across employment sectors, the largest increases occurred in government (+820 jobs), education and healthcare (+400 jobs), wholesale and retail trade (+280 jobs), and construction (+240 jobs). The largest declines were observed in manufacturing (-350 jobs) and professional and business services (-130 jobs).

Between 2011 and 2016, the population of Merced County grew by 0.9 percent per year. This growth was due entirely to the natural increase (new births), as net migration was negative.
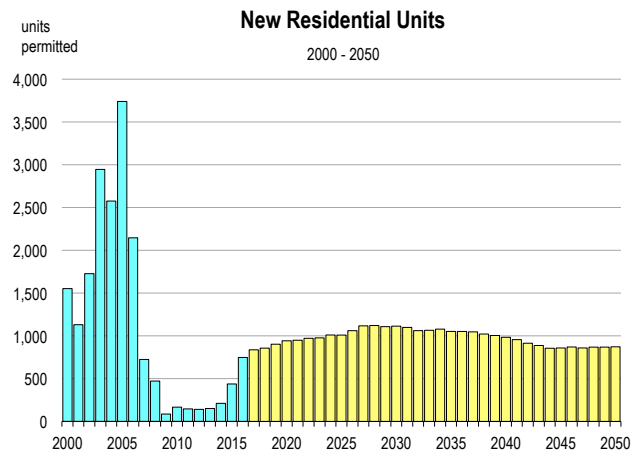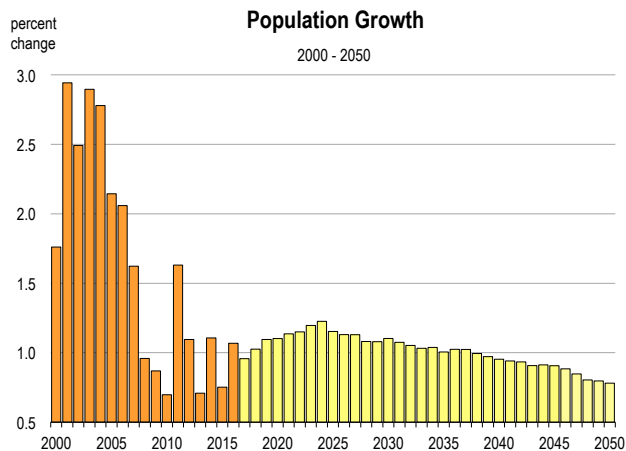
FORECAST HIGHLIGHTS

- Total wage and salary employment is expected to increase by 1.5 percent in 2017. From 2017 to 2022, employment growth will average 1.0 percent per year.

- Average salaries are currently below the California state average, and will remain so over the forecast period. In Merced County, inflation-adjusted salaries are expected to rise by an average of 1.3 percent per year between 2017 and 2022.

- Between 2017 and 2022, the largest job gains will occur in education and healthcare, manufacturing, government, and wholesale and retail trade. These sectors will account for 72 percent of net job creation in the county.

- Population growth is expected to accelerate in the coming years, averaging 1.1 percent per year from 2017-2022.

- Net migration will be positive over the most of the forecast period. From 2017 to 2022, an average of 620 net migrants will enter the county each year.

- Real per capita income will rise by 0.1 percent in 2017. Between 2017 and 2022, real per capita income is forecast to increase by an average of 1.1 percent per year.

Total Wage & Salary Job Creation
2000 - 2050

thousands of jobs

Real Per Capita Personal Income
2000 - 2050

constant 2016 dollars per person

- Total taxable sales, adjusted for inflation, are expected to increase by an average of 2.0 percent per year during the 2017-2022 period.

- Industrial production will increase by 5.9 percent in 2017. From 2017 to 2022, the growth rate of industrial production will average 2.5 percent per year.

- Farm production is expected to increase by 1.5 percent per year between 2017 and 2022. The principal agricultural commodity is milk.

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Merced County Economic Forecast
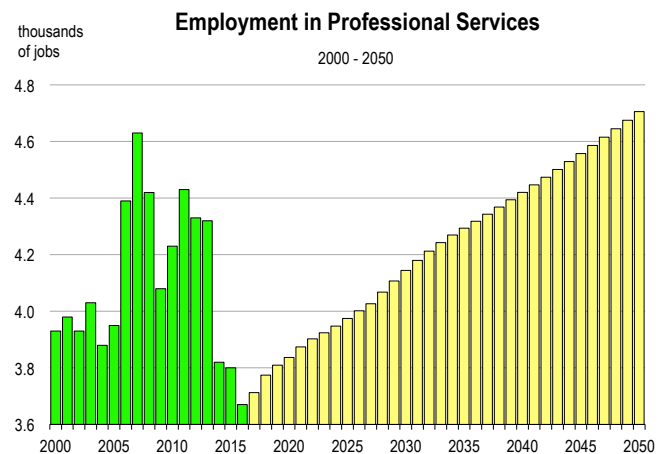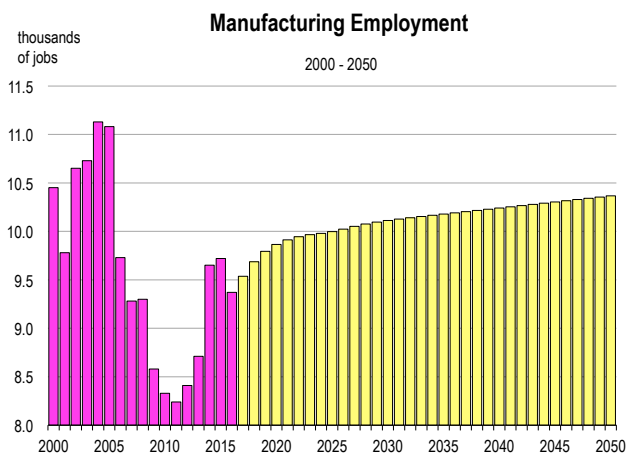## 2010-2016 History, 2017-2050 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy-ment Rate (percent)
2010	255,897	-1,068	203	75.6	168	$2.13	$7.2	$31,838	1.3	3.08	2.25	18.0
2011	260,072	1,328	201	75.9	147	$2.37	$7.9	$33,280	2.7	3.57	2.10	17.7
2012	262,919	124	201	76.9	140	$2.51	$8.1	$32,903	2.7	3.52	2.26	16.3
2013	264,783	-712	208	78.3	151	$2.67	$8.7	$34,535	2.3	4.01	2.39	14.5
2014	267,714	336	213	78.8	211	$2.76	$9.2	$35,655	2.8	4.60	2.66	12.8
2015	269,729	-417	220	79.1	437	$2.96	$9.7	$36,840	2.6	3.67	2.75	11.3
2016	272,610	477	228	79.5	749	$3.04	$9.8	$35,816	3.0	3.95	2.69	10.5
2017	275,219	216	232	79.8	837	$3.14	$10.2	$35,847	3.1	4.01	2.85	9.8
2018	278,043	401	237	80.1	857	$3.30	$10.7	$36,269	3.0	4.07	2.95	9.1
2019	281,089	592	241	80.6	903	$3.46	$11.2	$36,710	2.6	4.13	3.02	8.9
2020	284,186	623	245	81.2	942	$3.62	$11.8	$37,044	3.1	4.20	3.10	8.8
2021	287,414	719	249	81.8	949	$3.79	$12.4	$37,404	3.0	4.26	3.16	8.9
2022	290,719	778	252	82.6	972	$3.97	$13.0	$37,913	3.0	4.32	3.24	9.0
2023	294,197	932	256	83.3	977	$4.17	$13.7	$38,449	3.0	4.39	3.32	9.1
2024	297,804	1,044	259	84.1	1,010	$4.38	$14.5	$39,059	2.9	4.46	3.39	9.3
2025	301,238	859	262	85.0	1,009	$4.59	$15.2	$39,585	2.9	4.52	3.46	9.5
2026	304,643	816	265	85.9	1,061	$4.80	$15.9	$40,011	2.8	4.59	3.53	9.6
2027	308,084	841	268	86.8	1,117	$4.99	$16.5	$40,357	2.9	4.66	3.61	9.6
2028	311,414	718	271	87.7	1,121	$5.20	$17.2	$40,657	2.7	4.74	3.70	9.6
2029	314,775	736	274	88.7	1,108	$5.42	$18.0	$40,977	2.5	4.81	3.80	9.6
2030	318,246	836	277	89.7	1,114	$5.66	$18.7	$41,302	2.4	4.89	3.89	9.6
2031	321,667	764	279	90.7	1,099	$5.90	$19.5	$41,639	2.3	4.96	3.99	9.6
2032	325,052	703	282	91.7	1,061	$6.18	$20.3	$41,911	2.5	5.04	4.09	9.5
2033	328,407	650	285	92.7	1,065	$6.43	$21.1	$42,319	2.1	5.12	4.19	9.5
2034	331,816	688	288	93.8	1,079	$6.69	$21.9	$42,662	2.3	5.20	4.30	9.5
2035	335,152	606	290	94.8	1,052	$6.94	$22.8	$42,959	2.4	5.29	4.41	9.6
2036	338,586	703	293	95.8	1,052	$7.20	$23.7	$43,113	2.8	5.37	4.52	9.6
2037	342,052	738	295	96.8	1,047	$7.48	$24.7	$43,254	2.9	5.46	4.63	9.6
2038	345,453	682	298	97.8	1,021	$7.74	$25.6	$43,447	2.7	5.55	4.75	9.6
2039	348,810	648	300	98.8	1,004	$8.02	$26.7	$43,591	2.9	5.64	4.87	9.6
2040	352,135	626	303	99.8	984	$8.32	$27.8	$43,797	2.8	5.73	4.99	9.6
2041	355,448	630	305	100.8	956	$8.61	$28.8	$43,993	2.6	5.83	5.12	9.6
2042	358,768	644	308	101.8	914	$8.91	$29.9	$44,215	2.5	5.92	5.25	9.6
2043	362,023	588	310	102.7	888	$9.21	$31.0	$44,477	2.4	6.02	5.38	9.6
2044	365,326	645	313	103.6	855	$9.50	$32.2	$44,782	2.2	6.12	5.52	9.5
2045	368,638	661	315	104.5	859	$9.81	$33.3	$45,035	2.4	6.23	5.66	9.5
2046	371,897	618	318	105.4	870	$10.13	$34.6	$45,323	2.3	6.33	5.80	9.5
2047	375,048	515	320	106.3	859	$10.46	$35.8	$45,625	2.3	6.44	5.95	9.5
2048	378,064	386	322	107.1	869	$10.80	$37.1	$45,958	2.3	6.55	6.10	9.5
2049	381,077	389	325	108.0	869	$11.15	$38.5	$46,308	2.3	6.66	6.26	9.5
2050	384,053	362	327	108.8	872	$11.51	$40.0	$46,680	2.3	6.78	6.42	9.5

Population Growth
2000 - 2050
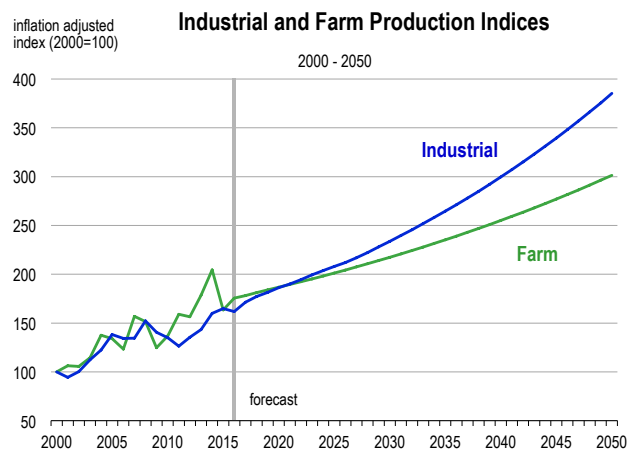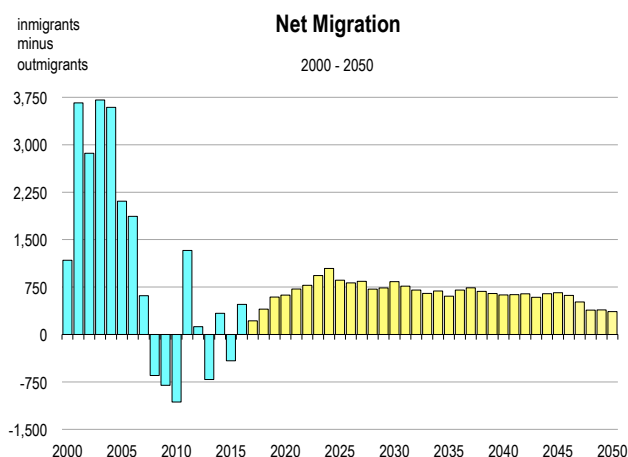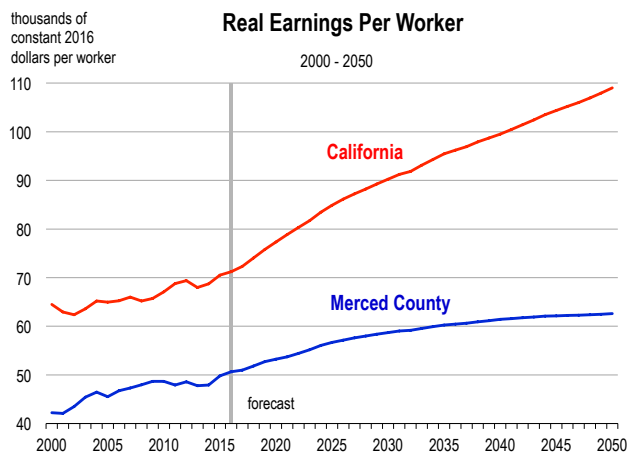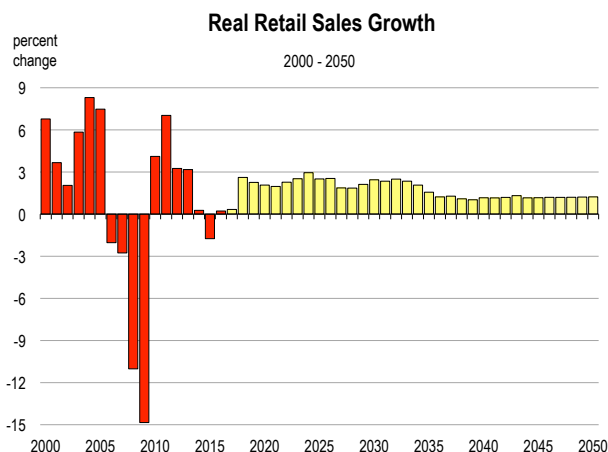

New Residential Units
2000 - 2050

Merced County Employment Forecast
2010-2016 History, 2017-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac-turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	--employment (thousands of jobs)--											
2010	69.2	10.8	1.6	8.3	2.2	9.2	1.6	4.2	0.6	8.1	4.5	16.7
2011	70.1	11.4	1.6	8.2	2.4	9.4	1.5	4.4	0.4	8.2	4.6	16.5
2012	71.8	12.5	1.6	8.4	2.4	9.6	1.6	4.3	0.4	8.3	4.7	16.4
2013	74.0	13.6	1.6	8.7	2.5	9.7	1.5	4.3	0.4	8.8	5.0	16.6
2014	75.8	13.7	1.7	9.7	2.3	9.7	1.6	3.8	0.4	9.1	5.4	17.1
2015	77.5	14.1	1.9	9.7	2.4	9.8	1.6	3.8	0.3	9.4	5.4	17.7
2016	79.2	14.0	2.2	9.4	2.5	10.1	1.8	3.7	0.3	9.8	5.6	18.5
2017	80.4	14.2	2.3	9.5	2.6	10.2	1.8	3.7	0.3	10.1	5.6	18.7
2018	81.4	14.3	2.4	9.7	2.6	10.2	1.8	3.8	0.3	10.4	5.7	18.8
2019	82.3	14.3	2.4	9.8	2.7	10.3	1.8	3.8	0.3	10.7	5.7	19.0
2020	83.1	14.4	2.4	9.9	2.7	10.4	1.8	3.8	0.3	10.9	5.8	19.2
2021	83.8	14.5	2.4	9.9	2.7	10.5	1.8	3.9	0.3	11.2	5.8	19.4
2022	84.5	14.5	2.4	9.9	2.8	10.5	1.8	3.9	0.3	11.4	5.9	19.5
2023	85.2	14.6	2.4	10.0	2.8	10.6	1.8	3.9	0.3	11.6	5.9	19.7
2024	85.9	14.6	2.4	10.0	2.8	10.7	1.8	3.9	0.4	11.8	6.0	19.9
2025	86.5	14.7	2.4	10.0	2.8	10.8	1.8	4.0	0.4	12.0	6.0	20.1
2026	87.2	14.8	2.5	10.0	2.8	10.9	1.8	4.0	0.4	12.2	6.1	20.3
2027	87.9	14.8	2.5	10.1	2.8	10.9	1.9	4.0	0.4	12.4	6.1	20.5
2028	88.6	14.9	2.5	10.1	2.8	11.0	1.9	4.1	0.4	12.6	6.1	20.7
2029	89.2	15.0	2.6	10.1	2.9	11.1	1.9	4.1	0.4	12.8	6.2	20.9
2030	89.9	15.0	2.6	10.1	2.9	11.2	1.9	4.1	0.4	12.9	6.2	21.1
2031	90.6	15.1	2.6	10.1	2.9	11.2	1.9	4.2	0.4	13.1	6.3	21.3
2032	91.2	15.2	2.6	10.1	2.9	11.3	1.9	4.2	0.4	13.2	6.3	21.5
2033	91.8	15.2	2.7	10.2	2.9	11.4	1.9	4.2	0.4	13.4	6.3	21.7
2034	92.5	15.3	2.7	10.2	2.9	11.5	1.9	4.3	0.4	13.6	6.4	21.9
2035	93.1	15.4	2.7	10.2	2.9	11.5	1.9	4.3	0.4	13.7	6.4	22.1
2036	93.7	15.5	2.7	10.2	2.9	11.6	1.9	4.3	0.4	13.8	6.5	22.3
2037	94.3	15.5	2.7	10.2	2.9	11.6	1.9	4.3	0.4	14.0	6.5	22.5
2038	94.9	15.6	2.8	10.2	3.0	11.7	1.9	4.4	0.4	14.1	6.6	22.7
2039	95.5	15.7	2.8	10.2	3.0	11.8	1.9	4.4	0.4	14.3	6.6	22.9
2040	96.1	15.8	2.8	10.2	3.0	11.8	1.9	4.4	0.5	14.4	6.7	23.0
2041	96.7	15.9	2.8	10.3	3.0	11.9	1.9	4.4	0.5	14.6	6.7	23.2
2042	97.3	16.0	2.8	10.3	3.0	11.9	1.9	4.5	0.5	14.7	6.8	23.4
2043	97.9	16.1	2.8	10.3	3.0	12.0	1.9	4.5	0.5	14.8	6.8	23.6
2044	98.4	16.2	2.8	10.3	3.0	12.0	1.9	4.5	0.5	15.0	6.9	23.8
2045	99.1	16.2	2.8	10.3	3.0	12.1	1.9	4.6	0.5	15.1	6.9	24.0
2046	99.7	16.3	2.8	10.3	3.0	12.2	1.9	4.6	0.5	15.2	7.0	24.2
2047	100.3	16.4	2.8	10.3	3.0	12.2	1.9	4.6	0.5	15.3	7.0	24.4
2048	100.8	16.5	2.8	10.3	3.1	12.3	1.9	4.6	0.5	15.5	7.1	24.5
2049	101.4	16.6	2.8	10.4	3.1	12.3	1.9	4.7	0.5	15.6	7.1	24.7
2050	102.0	16.7	2.8	10.4	3.1	12.4	1.9	4.7	0.5	15.7	7.2	24.9

Manufacturing Employment

thousands of jobs

2000 - 2050

Employment in Professional Services

thousands of jobs

2000 - 2050

Real Retail Sales Growth

percent change

2000 - 2050

Real Earnings Per Worker

thousands of constant 2016 dollars per worker

2000 - 2050

California

Merced County

forecast

Net Migration

inmigrants minus outmigrants

2000 - 2050

Industrial and Farm Production Indices

inflation adjusted index (2000=100)

2000 - 2050

Industrial

Farm

forecast

County Economic and Demographic Indicators

Projected Economic Growth (2017-2022)

Expected retail sales growth:	11.7%
Expected job growth:	5.1%
Fastest growing jobs sector:	Health & Education
Expected personal income growth:	11.7%

Expected population growth:	5.6%
Net migration to account for:	20.1%
Expected growth in number of vehicles:	8.6%

Demographics (2017)

Unemployment rate (April 2017):	10.2%
County rank* in California (58 counties):	55th
Working age (16-64) population:	62.9%

Population with B.A. or higher:	13.4%
Median home selling price (2016):	$221,750
Median household Income:	$47,230

Quality of Life

Violent crime rate (2015):	607 per 100,000 persons
County rank* in California (58 counties):	52nd
Average commute time to work (2017):	28 minutes

High School drop out rate (2016):	8.1%
Households at/below poverty line (2017):	21.5%

* The county ranked 1st corresponds to the lowest rate in California